



### MEMORANDUM

TO: Mayor Merkes, Administration Committee Chairman Klein and the members of the City of Menasha Administration Committee

FROM: City Comptroller/Treasurer Stoffel *tro*

DATE: 08/08/2011

SUBJECT: Loan between TIF # 10 and TIF # 5

TIF # 10 has a principal payment due in 2011 in the amount of \$375,000 plus an interest payment of \$21,750. This is the only debt ever incurred by this TIF district which includes the 3<sup>rd</sup> Street corridor.

TIF # 10 has a current balance of approximately \$150,000. In order to make the debt service payment and also benefit TIF # 5, I would request Council approval of a \$250,000 loan from TIF # 5 to TIF # 10. TIF # 5 is projected to have a balance at year end of approximately \$540,000. I would propose that TIF # 10 would take out the loan at the same rate (3.75%) that the Board of Commissioners of Public Lands would charge the City if the City were to borrow the money from the State. This benefits TIF # 5 in that its current invested funds do not make anything near the rate that the State would be charging. The repayment schedule can be set up to best meet the cash flow of TIF # 10, which would give that TIF some flexibility if increments are better or worse than projected and there would be no prepayment penalty.

I would ask that the Administration Committee support this request and forward the loan to the Common Council for approval.